Presentation Outline

Who we are

A perspective on corruption in the U.S.
Who We Are

Operating principles and guidelines
People and teams
Performance measures
International activities
GAO’s role is to support the Congress in carrying out its constitutional responsibilities and to help improve the performance and assure accountability of government for the benefit of the American people.
Core Values

**Accountability**
Help the Congress oversee federal programs, policies, and operations to ensure accountability to the American people

**Integrity**
Ensure that our work is professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced

**Reliability**
Provide high-quality, timely, accurate, useful, clear, and candid information
The Comptroller General (CG) is the head of GAO:

- confirmed through a joint selection/appointment process involving the Congress and the President
- serves a 15 year term of office
- can only be removed by impeachment or joint resolution of Congress for specified reasons

GAO staff at all levels are civil servants, not political appointees
Congressional Protocols
Govern GAO’s interactions with our client, the Congress

Agency Protocols
Govern GAO’s interactions with executive branch agencies

International Protocols
Govern GAO’s work that has international components or implications
GAO’s Workforce

3,141 FTE—75% in D.C., 25% in field

Workforce consists primarily of analysts, IT specialists, auditors, attorneys, and economists

GAO has technical chiefs for accounting, actuarial science, economics, statistics, science, and technology

80% of GAO’s resources spent on people
GAO’s Mission Teams

Defense Capabilities Management
Education, Workforce, and Income Security
Financial Markets and Community Investments
Health Care
Homeland Security and Justice
International Affairs and Trade

Natural Resources and the Environment
Physical Infrastructure
Acquisitions and Sourcing Management
Applied Research and Methods
Financial Management Assurance
Information Technology
Strategic Issues
Increasing Demand for GAO Testimony

GAO witnesses testifying at rapid pace

• 298 testimonies in FY ’08
• 203 testimonies in FY ’09
# Fiscal Year 2009 Performance

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<tr>
<th>Measures</th>
<th>FY 09 Target</th>
<th>FY 09 Actual</th>
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<tr>
<td>Financial benefits (in billions)</td>
<td>$42</td>
<td>$43</td>
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<tr>
<td>Other benefits</td>
<td>1,200</td>
<td>1,315</td>
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<tr>
<td>Testimonies</td>
<td>200</td>
<td>203</td>
</tr>
<tr>
<td>Products with recommendations</td>
<td>60%</td>
<td>68%</td>
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<tr>
<td>Recommendations implemented</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Timeliness (based on client feedback)</td>
<td>95%</td>
<td>95%</td>
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GAO in the International Community

GAO is a member of the International Organization of Supreme Audit Institutions (INTOSAI)

GAO’s Comptroller General sits on the INTOSAI Governing Board

GAO facilitates an international auditor fellowship training program

GAO participates in international peer reviews

Partnerships are a key enabler of change and help to leverage available resources
A View on Corruption: Outline

Two key types of corruption

Eliminating systematic corruption—Constitutional solution

Combating specific corruption—Institutional solution

Unique position of the GAO

Insights for other nations
Two Key Types of Corruption: Systematic vs. Specific*

Systematic corruption:
--government corrupts markets to maintain power
--economic consequences: enormous

Specific corruption:
--business corrupts government to secure advantages
--economic consequences: modest

*see for example, John Joseph Wallis, *The Concept of Systematic Corruption in the United States*
Eliminating Systematic Corruption: Constitutional Solutions

Divided (balanced) government
- Executive Branch
- Legislative Branch
- Judicial Branch

Freedom of the Press (amendment 1)

Power to the states (amendment 10)
Eliminating Systematic Corruption: U.S. Historic Experience:

Key developments
- Hamilton’s Bank of the U.S. initiated enormous debate
- new party developed to combat ‘tyranny’
- state constitutions allowed entry of private sector

Institutions supporting free market competition put in place
- reduced pay off to political control
- process took place over 100 years
Combating Specific Corruption:
Institutional & Accountability Solutions

Federal institutions

Other key elements:
- state/local institutions
- civil society (mixed role)
- free press

Institutional solution in U.S. foreign assistance
Combating Specific Corruption: Federal Institutions

Legislative Branch:
- GAO (Congressional watchdog)
- Ethics offices in House and Senate

Executive Branch
- Justice Department
- Inspector Generals (agency watchdogs)

Judicial Branch
- Judicial Code of Conduct
- other practices to ensure fairness
Combating Specific Corruption: Other Key Elements

Free press—privileged role
  – some tensions after American Revolution
  – took on status of ‘fourth estate’

Civil society—a mixed role
  – some groups attempting to gain specific benefits
  – other groups favor transparency, open government

State/local institutions—often mirror federal structures
Combating Specific Corruption: U.S. Anticorruption Efforts Abroad

Foreign Corrupt Practices Act (1977)
- affected U.S. firms operating abroad
- OECD Convention signaled support of other nations

USAID began incorporating anti-corruption in programs
- USAID country-specific programs in 1960s and 70s
- broader agency initiatives since mid-90s

Millennium Challenge Corporation:
- central role for anti-corruption
- most important criterion for eligibility
Unique Position of the GAO: An Example of Divided Government

Post War Treasury financial management was in disarray.
Congress wanted more control over expenditures.

Budget and Accounting Act:
- GAO independent of the Executive Branch
- Comptroller General term of 15 years
- All other employees permanent civil servants

GAO’s role: perform oversight over the Executive Branch.
Unique Position of the GAO: GAO as an Accountability Agent

GAO’s developing role:
- initial function: audit government expenditures
- shift to audit agency programs and activities
- broaden to audit and evaluation of programs

Additional accountability efforts:
- lead/contribute to standard setting organizations
- contribute to international audit liaison community
- support oversight of international organizations
Insights for Other Nations

For discussion!